Third Technical Education Project, is being implemented in a number of States including Nagaland. The World Bank has approved a credit amount of US$ 64.90 million for the project.

(c) The project has already disbursed an amount of US$ 26.72 million and is due to close on 30.6.2006.

Lending for agriculture Sector

1229. SHRIMATI PREMA CARIAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that 18 per cent of the total lending of the Scheduled Commercial Banks has to be made for financing the agriculture sector;

(b) if so, whether this level of lending for agriculture sector has been achieved particularly in Karnataka, Andhra Pradesh and Maharashtra where the farmers community is facing worst financial crisis and most of the co-operative banks are in precarious condition;

(c) the details of the loans disbursed to farmers in the above three States through commercial/co-operative banks; and

(d) the measures taken to increase lending to farmers in the above three States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The information is being collected and will be laid on the Table of the House.

Public and External Debt

1230. SHRI MURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) whether public debt and external debt have been increasing since 1999-2000 and if so, the details thereof year-wise;

(b) the reasons for this increase and its effect on the economy and fiscal deficit;

(c) the percentage of this debt to the GDP during the above years, year-wise; and

(d) the reasons for Government not pre-paying some of the high interest bearing loans by taking advantage of low interest rate and high exchange reserves?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Details of public debt and India's total external debt since 1999-2000 along with ratios to GDP are given in the following Table. The widening fiscal gap has led to the build-up of public debt in recent years. The high magnitude of debt preempts resources away from investment in the private sector. It also increases the interest burden, leading to an increase in revenue deficit and also fiscal deficit, thereby resulting in higher debt.

Table: Public Debt of Central Government and India's total External Debt

(Rs. Crore)

(End-March)

		1999-2000	2000-01	2001-02	2002-03	2003-04
1.	Public debt of Central Government (i+ii)	772691	869643	984607	1080301	1181428
	(i) Internal debt	714254	803698	913061	1020689	1134021 (RE)
	(ii) External debt*	58437	65945	71546	59612	47407 (P)
2.	India's Total external debt	428550 (98263)	471724 (101132)	481908 (98757)	(498593) (104870)	(488829) (112515)
3.	Public debt-to-GDP ratio	39.9	41.3	42.9	42.1	42.6
4.	India's external debt-to-GDP ratio	22.1	22.6	21.1	20.2	17.6

* at historic exchange rate P: Provisional; RE: Revised Estimate;

Note: Figures in Brackets indicate US$ million.

(d) Encouraged by buoyant foreign exchange reserves and low level of domestic as well as international interest rates, Government of India effected premature retirement of high cost external loans during 2002-2003 and 2003-04 amounting to US$ 2.9 billion and US$ 3.8 billion, respectively.